

REFERENCE TITLE: car rental surcharge; exception

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2311

Introduced by
Representatives Driggs: Crandall, Murphy

AN ACT

AMENDING SECTIONS 5-839 AND 48-4234, ARIZONA REVISED STATUTES; RELATING TO CAR RENTAL SURCHARGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 5-839, Arizona Revised Statutes, is amended to
3 read:

4 **5-839. Car rental surcharge**

5 A. The qualified electors residing in the authority, by majority vote
6 at an election held in the authority, may levy and, if levied, the department
7 of revenue shall collect a car rental surcharge beginning on the first day of
8 the first month beginning ninety days after the election to levy the
9 surcharge. The surcharge shall be in effect for three hundred sixty months.

10 B. The rate of the surcharge is:

11 1. Three and one-fourth per cent of the gross proceeds or gross income
12 from the business or two dollars fifty cents on each lease or rental,
13 whichever is more.

14 2. In the case of a person who leases or rents the motor vehicle as a
15 temporary replacement motor vehicle, two dollars fifty cents on each lease or
16 rental. For **THE** purposes of this paragraph, "temporary replacement motor
17 vehicle" means a vehicle loaned by a motor vehicle repair facility or dealer
18 or rented by a person temporarily to use while the vehicle that it is
19 replacing is not in use because of breakdown, repair, service, damage or
20 loss.

21 C. The surcharge applies to the business of leasing or renting for
22 less than one year motor vehicles for hire without a driver, that are
23 designed to operate on the streets and highways of this state and that are
24 primarily intended to carry not more than fourteen passengers, regardless of
25 whether the vehicle is registered or licensed in this state.

26 D. The surcharge does not apply to the lease or rental of a motor
27 vehicle:

28 1. To an automobile dealership, a repair facility, an insurance
29 company or any other person that provides that vehicle at no charge to a
30 person whose own motor vehicle is being repaired, adjusted or serviced.

31 2. **USED IN AN EMPLOYEE VANPOOL ARRANGEMENT FOR A GROUP OF UP TO
32 FOURTEEN PASSENGERS INCLUDING A DRIVER WHO IS A COMMUTER, BUT WHOSE DRIVING
33 IS NOT REQUIRED AS AN EMPLOYMENT RESPONSIBILITY, WHO RECEIVES NO COMPENSATION
34 OTHER THAN FREE TRANSPORTATION, INCLUDING LIMITED USE OF THE VEHICLE FOR
35 PERSONAL USE, AND WHO OPERATES THE VEHICLE UNDER A PREARRANGED SCHEDULE FOR
36 TRANSPORTING THE PASSENGERS TO AND FROM A PLACE OF EMPLOYMENT.**

37 E. The surcharge is not taxable under section 42-5071.

38 F. Unless the context otherwise requires, section 42-6102 governs the
39 administration of a surcharge imposed under this section, which shall be
40 reported on a form prescribed by the department of revenue. The department
41 of revenue shall require a report of the number of lease or rental
42 transactions and shall transmit that number to the state treasurer.

43 G. Each month the state treasurer shall distribute revenues collected
44 pursuant to this section as follows:

1 1. Transmit an amount equal to two dollars fifty cents on each lease
2 or rental transaction to the county stadium district established in the
3 county in which the authority is located pursuant to title 48, chapter 26 for
4 deposit in the county stadium district fund. The board of directors of the
5 county stadium district may pledge all or part of these monies to secure
6 district bonds or financial obligations under title 48, chapter 26.

7 2. Pay the remainder of the monies collected during the month to the
8 authority for deposit in the tourism revenue clearing account established by
9 section 5-835.

10 Sec. 2. Section 48-4234, Arizona Revised Statutes, is amended to read:

11 48-4234. Car rental surcharge for major league spring training;
12 rate; administration; credit; definition

13 A. If the board of directors of a district established pursuant to
14 section 48-4202, subsection A determines that it is necessary in order to
15 retain, attract or relocate a major league baseball spring training
16 operation, the board may levy and, if levied, the department of revenue shall
17 collect a car rental surcharge pursuant to subsection B of this section in
18 addition to or in lieu of other revenues collected pursuant to this article
19 to be used and expended for the purposes set forth in section 48-4204,
20 subsection A. The surcharge is effective and shall be collected beginning
21 January 1 or July 1, whichever date first occurs at least three months after
22 the board approves the surcharge.

23 B. The board shall set the car rental surcharge as follows:

24 1. Except as provided in paragraph 2 OF THIS SUBSECTION, at a rate not
25 to exceed two dollars fifty cents on each lease or rental of a motor vehicle
26 licensed for hire for less than one year and designed to carry fewer than
27 fifteen passengers regardless of whether such vehicle is licensed in this
28 state.

29 2. In a county with a population of more than five hundred thousand
30 but less than two million persons, according to the most recent United States
31 decennial census, the board shall set the surcharge at a rate not to exceed
32 three dollars fifty cents on each lease or rental of a motor vehicle licensed
33 for hire for less than one year and designed to carry fewer than fifteen
34 passengers regardless of whether the vehicle is licensed in this state.

35 C. The surcharge is not taxable under section 42-5071.

36 D. The surcharge does not apply to the lease or rental of a motor
37 vehicle:

38 1. To an automobile dealership, a repair facility, an insurance
39 company or any other person that provides that vehicle at no charge to a
40 person whose own motor vehicle is being repaired, adjusted or serviced.

41 2. USED IN AN EMPLOYEE VANPOOL ARRANGEMENT FOR A GROUP OF UP TO
42 FOURTEEN PASSENGERS INCLUDING A DRIVER WHO IS A COMMUTER, BUT WHOSE DRIVING
43 IS NOT REQUIRED AS AN EMPLOYMENT RESPONSIBILITY, WHO RECEIVES NO COMPENSATION
44 OTHER THAN FREE TRANSPORTATION, INCLUDING LIMITED USE OF THE VEHICLE FOR

1 PERSONAL USE, AND WHO OPERATES THE VEHICLE UNDER A PREARRANGED SCHEDULE FOR
2 TRANSPORTING THE PASSENGERS TO AND FROM A PLACE OF EMPLOYMENT.

3 E. The surcharge applies throughout the district, but if a business
4 demonstrates that it is subject to a surcharge imposed by the voters under
5 section 5-839, the business is entitled to a credit against the surcharge
6 imposed pursuant to this section equal to the amount of the surcharge paid
7 pursuant to section 5-839, except that the credit shall not exceed the amount
8 of the surcharge imposed pursuant to this section.

9 F. Unless the context otherwise requires, section 42-6102 governs the
10 administration of a surcharge imposed under this section, which shall be
11 reported on a form prescribed by the department of revenue.

12 G. Each month the state treasurer shall remit to the district
13 treasurer the net revenues collected under this section during the preceding
14 month. The district treasurer shall deposit the monies in the county stadium
15 district fund.

16 H. The board of directors may pledge all or part of the surcharge
17 levied under this section to secure district bonds or financial obligations
18 under this chapter. The surcharge shall not be terminated until all bonds,
19 obligations and associated payments that are secured by the surcharge are
20 fully met and discharged.

21 I. For the purposes of this section, "motor vehicle" means a
22 self-propelled vehicle that is operated on the streets and highways of this
23 state, that is primarily intended to carry passengers and that is licensed
24 for hire in the district without a driver.